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## **FLOOD INSURANCE - National Flood Safety Awareness Week Good Time to Review Your Flood Policy**

*The National Association of Insurance Commissioners (NAIC) is pleased to support The National Oceanic and Atmosphere Administration (NOAA)-sponsored 2008 National Flood Safety Awareness Week, March 17-21.*

*Floods threaten homes from coast to coast - and they can happen anytime, anywhere and without warning. The damage from a flood is **not** covered under a standard homeowners policy. Before snowmelt and spring rains bring the potential for flooding, the NAIC suggests all homeowners and renters review their flood insurance needs.*

### **What is a flood?**

A flood is an excess of water (or mud) on land that is normally dry. The National Flood Insurance Program (NFIP) defines flood to be a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area, or of two or more properties (at least one of which is the policyholder's property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining, caused by waves or currents of water exceeding anticipated cyclical levels.

### **What is Flood Insurance?**

Flood insurance is a special policy that is federally backed by the NFIP and available for homeowners, renters and businesses.

The standard flood insurance policy pays for direct physical damage to your insured property up to the replacement cost or actual cash value (ACV) of actual damages or the policy limit of liability, whichever is less.

Homeowners, you may purchase flood insurance covering up to \$250,000 of flood damage to your home. A standard flood policy will cover structural damage, including damage to the furnace, water heater, air conditioner, floor surfaces (carpeting and tile) and debris clean-up.

### **How Do I Buy Flood Insurance?**

You can purchase flood insurance for your home or business regardless of whether the property is in a floodplain. Contact your insurance agent or company to find out if your community participates in the NFIP. You can also visit [www.floodsmart.gov](http://www.floodsmart.gov) to get more information about your flood risk.

### **Plan Ahead: Flood Insurance has a Waiting Period**

It is very important to plan ahead. A flood insurance policy normally will not go into effect until 30 days after you purchase the policy.

### **Additional Tips**

Make a home inventory; i.e., a record of your personal property, such as clothes, jewelry, furniture, computers and audio/video equipment. Photos and video of your home, as well as sales receipts and the model and serial numbers of items, will make filing a claim simpler. In addition, add insurance information to your inventory information; i.e., the name of your insurance company and agent, policy numbers and contact information.

For personal safety, identify what storm shelter is available to you and prepare an evacuation plan.

Make sure you have bottled water, a first aid kit, flashlights, a battery-powered radio, non-perishable food items, blankets, clothing, prescription drugs, eyeglasses, personal hygiene supplies and a small amount of cash.

If you need to evacuate your home, turn off all utilities and disconnect appliances to reduce the chance of additional damage and electrical shock when utilities are restored.

Move all of your important documents to a safe location

The contents of your home are not covered under a standard policy, but for an additional premium, you also may purchase flood coverage for up to \$100,000 of damage to your personal property.

Coverage for basements, crawlspaces and ground-level enclosures on elevated homes is limited. If your home has these spaces, be sure to ask your insurance agent about any restrictions in your coverage.

Renters: Flood is not covered under your basic renters insurance policy. Talk with your insurance agent about your flooding risks to decide if you need flood coverage for your belongings.

Business owners: A flood insurance policy coverage will cover up to \$500,000 on a non-residential building and its contents.

### **How Much Does Flood Insurance Cost?**

According to Federal Emergency Management Agency (FEMA), the average homeowners flood insurance premium is approximately \$500 a year. Premiums for flood insurance will vary depending on your risk level for a flood loss, the amount of coverage you choose, the type of coverage you need and your deductible.

You can normally choose different deductibles for building property and personal property coverage. The deductibles will apply separately to building property and personal property claims. Your mortgage company can require that your deductible is no more than a certain amount.

Take them with you when you evacuate or store them in a safe deposit box outside the area.

Take proactive steps to protect your property from loss. Be sure there is no loose siding on your home and no damaged or diseased trees growing over your home.

### **More Information**

For more information about flood insurance, visit the NFIP Web site at [www.floodsmart.gov](http://www.floodsmart.gov).

Get smart about insurance! For more information about auto, home and health insurance options, and tips for choosing the coverage that is right for you and your family, go to [www.insureUonline.org](http://www.insureUonline.org).

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